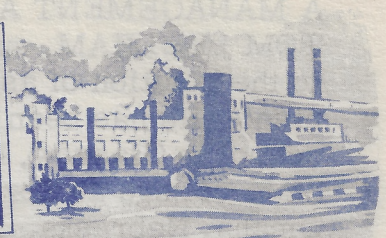
CROWN ZELLERBACH CORPORATION
CAMAS, WASHINGTON

Management REPORT



September 8, 1955

No. 138

A NEWS RELEASE from Headquarters today announces that the Boards of Directors of Crown Zellerbach Corporation and of Gaylord Corporation have adopted an agreement of merger of the two companies.

The agreement provides for the merger of Gaylord into Crown Zellerbach, following approval of both companies' stockholders at special meetings November 22. Gaylord's 2,695,519 shares of common stock would then be converted into a like number of shares of Crown Zellerbach common stock after November 30, the contemplated effective date of the merger. The merger agreement further provides:

Crown Zellerbach, as the surviving corporation, would assume all obligations and ownership of the properties and other assets of Gaylord Container Corporation.

Crown Zellerbach's board of directors would be increased from 15 to 19 members. The four additional board members would be Joseph M. Arndt, vice president of Gaylord; A. Conger Goodyear, chairman of the board of Gaylord; Charles W. Goodyear, first vice president of Gaylord; and Edwin J. Spiegel, president of Gaylord, who would also become a vice president of Crown Zellerbach and a member of its executive committee.

Production:	1955	1954
Paper and paperboard - in tons	301,470	273,229
Lumber - in thousands of board feet	40,842	46,498
Rough plywood - in thousands of sq. feet	18,610	15,389
Net sales	$80,512,000	$76,476,000
Income before taxes on income	16,107,000	15,374,000
U. S. and Canadian taxes on income	7,272,000	7,119,000
Net income	8,799,000	8,217,000

RELEASE FROM HEADQUARTERS - Sept. 1: Crown Zellerbach Corporation today released its first quarter operating results, for the three months ended July 31, 1955. Net income, sales and production for the corporation and subsidiaries broke all previous quarterly records.

In commenting upon prospects for the second quarter in his letter to shareholders, Mr. J. D. Zellerbach, president of Crown Zellerbach Corporation, stated, "all our production facilities are running full, and orders continue to exceed our capacity. Prices are firm, and some modest production increases are expected. Over-all," he said, "the prospects for the second quarter seem very good."

BLOOD BANK DAY - Tuesday, Sept. 13, MacMaster building, 12 noon to 6 P.M. 2500 handbills are being distributed throughout the community in an effort to increase the number of donors. In 1954, Clark county residents donated 2400 pints; used 3500 pints. Thus far in 1955, Clark county has donated 1500 pints; used 2000. The shortage has been made up by the Red Cross Blood Center in Portland. Unless donations from this area increase, blood from Portland may not continue to be available.

PLEASE
TAKE 1 HOUR
GIVE PINT
SAVE LIFE

A MANAGEMENT ANNOUNCEMENT Friday means advancement for two Camas men. TOM LEEDHAM, supervisor of industrial engineering since May 1951, has been promoted to the position of assistant manager-industrial engineering at CZ headquarters, San Francisco. He has been with the Corporation since 1946. Prior to that time he finished high school in Glasgow, Montana, and earned a B.S. degree in industrial engineering at Montana State college at Bozeman. He had engineering experience with the Martin Aircraft Co. in Omaha, Nebraska. RICHARD G. CARTER, senior industrial engineer, Camas, is being promoted to the position of industrial engineer for West Linn division. Carter came to Camas in 1951. He is a graduate of Benson high school, Portland, has his B.S. in industrial engineering from Oregon State, and had early engineering experience with Boeing Aircraft.

RUSSELL LAWTON, division industrial engineer for West Linn will take over Leedham's duties at Camas. He was in the industrial engineering department here before his promotion to West Linn in August 1953. Lawton came to Camas in 1950. He received his education at Massachusetts Institute of Technology and Stanford University where he earned his master's degree. All three promotions are effective during the first half of September.

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1112 NEW ZEE POSTERS called "Roses in Hair" are going up in 180 cities of the seven western states by the middle of September. The Camas display at the west end of town was scheduled for September 1. These posters, which remain on billboards for 30 days, are viewed by hundreds of thousands of motorists and are considered a great factor in the steadily increasing Zee sales.

RELEASE FROM HEADQUARTERS: A new chemical by-product of the pulp and paper making process will be marketed next year by Crown Zellerbach Corp. it was announced today. To be given the trade name GREENZ 26, its use will be as an agricultural mineral to correct iron deficiency in plants. This deficiency is known technically as iron chlorosis and is typified by a yellowing of the leaves of trees and plants.

The inventor, Dr. J. P. Bennett, formerly with the University of California at Berkeley, is a recognized authority on iron chlorosis. Much of his life's work has been in diagnosing and treating such "illnesses" in plants. He has been working on the development of this new product for the past two years in collaboration with C. Emlen Scott, extension plant pathologist, and has thoroughly field-tested it on pears in the area near San Jose, California. This year a large number of test plots have been established on pears, as well as peaches, prunes, and other crops in the western half of the United States. Indications to date are that GREENZ 26 will be much safer to use than existing products now being marketed. No cases of direct injury to leaves have been noted.

No price has been set for this material, but Crown Zellerbach indicates a probable price range of 20 to 25 cents a pound in quantity lots. It will be available for limited commercial use during the 1956 growing season and will be handled by Crown Zellerbach's Chemical Products Division located at Camas, Washington.

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THE BOWLING LEAGUE SEASON starts Monday, September 12. CZ bowlers are being asked to sign up at the clockroom or with any of the three top officers, Don Pickering, Don Brown, or Conrad Schick.

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